



STATE BUDGET AND CONTROL BOARD

Office of Information Resources

Accountability Report

2001

OFFICE OF INFORMATION RESOURCES

Accountability Report - 2001

State Budget and Control Board
Office of Information Resources
4430 Broad River Road
Columbia, South Carolina
Phone 803 896-0300 • Fax 803 896-0099

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Section

1

1. Executive Summary

The Office of Information Resources (OIR) is a major operating unit under the auspices of the State Budget and Control Board. The Board is chaired by the Governor and has, as other *ex officio* members, the State Treasurer, State Comptroller General, Chairman of the Senate Finance Committee and Chairman of the House Ways and Means Committee. The State Budget and Control Board has broad responsibilities for a number of central administrative and support functions in South Carolina state government. As one of its major operational offices, OIR performs a number of functions related to the provision, use and administration of information technology in government. Specifically, OIR

- ◇ oversees and operates the state's telephone system;
- ◇ provides computing resources for a number of agencies through its consolidated data center;
- ◇ operates statewide networks for voice, video, and data transmission;
- ◇ facilitates the design and implementation of Web-based technologies to promote citizen access and government efficiency; and
- ◇ provides consultation, coordination and assistance to other

governmental entities regarding their use of information technology.

The Office of Information Resources operates under the authority of several statutes and provisions relating to the provisioning of telecommunications and data processing services throughout state government. OIR receives no state appropriation, but operates solely on the revenues generated through services provided to its customers.

1.1 Major Achievements from Past Year

During the last fiscal year, the Office of Information Resources made substantial progress toward its goals of cost effective communications services, centralized computing services, and e-government technologies. In November 2000, OIR unveiled South Carolina's new Web portal. *MySCgov.com* is designed for citizens to access government anytime, anywhere. On-line services such as driver's license renewal, state tax payments, criminal record checks, and accessing forms from one location saves citizens time from phone calls, driving or mailing in the required information. Citizens can complete business transactions conveniently and efficiently. *MySCgov.com* offers a great return on investment. Launched with a startup cost of less than \$500,000, South Carolina has saved significant dollars by streamlining the tax collection process through the use of on-line tax payments. Plus, the number of criminal record checks have increased dramatically because of this convenient, on-line service.

During FY01 OIR completed the physical consolidation of seven disparate data centers

into one, state-of-the-art facility. OIR is now involved in logical consolidation of processes and software. This logical consolidation has positioned OIR to enter a new phase of delivering consolidated computer services. OIR is delivering these consolidated computing services at a cost that is comparable to its peers in the top 10 percent of efficient data centers.

In the third quarter of FY2001, OIR introduced a mechanism to give new life to legacy mainframe databases. Through the use of software such as WebSphere and Visual Age, OIR is web-enabling these legacy systems so that users can access this valuable data using Internet technology.

Finally, OIR has been able to reduce the cost of telecommunications services to its customers by instituting new contracts for network services. Not only are state agencies realizing substantial savings from these contracts, but local governments may also purchase network services from these below-tariff contracts. Perhaps even more importantly, these reduced network costs have enabled OIR to lower its local monthly telephone charge as much as 32% depending on the type of telephone and location of service. OIR has also instituted a multi-vendor contract for agencies requiring local service in areas not served by OIR. This gives agencies the flexibility to “shop around” for the local service provider that best meets their needs. These cost cutting actions have been very welcomed by customers during this period of state budgetary reductions.

1.2 Mission and Values

The Mission of the Office of Information Resources is to provide:

- ◇ the information infrastructure to agencies and entities of government necessary to their efficient and effective delivery of services; and

- ◇ the leadership and technical expertise which will facilitate and enable the appropriate integration of new or improved technologies.

OIR's mission statement focuses on its customers in two ways. First, it acknowledges the role of the organization in providing the information technology infrastructure enabling OIR's customers, both the organization served and the citizenry -- the ultimate customer, to better meet their service goals and needs. Second, it recognizes OIR's role as a leader and innovator in bringing appropriate enhancements in technology to the attention and ultimate use of its customers.

1.3 Key Strategic Goals for Present and Future Years

The Office of Information Resources is making significant progress on several strategic goals to ensure South Carolina's agencies can deliver services to the citizenry in convenient, efficient and cost effective ways. These strategic goals are:

- ◇ to design and enhance a statewide integrated voice, video, and data network capable of supporting the technology applications of its customers: state, regional and local governments;
- ◇ to maintain and operate an enterprise-wide data center; and
- ◇ to facilitate the design and implementation of Web-based technologies to promote citizen access and government efficiency.

The strategic goals identified above and others which OIR will no doubt identify in the future, can be categorized in various ways. One way which the staff of OIR has found beneficial is to

structure the goals in a conceptual pyramid with four major categories: customer services, infrastructure, organizational development and the external environment. Almost every activity in which OIR is engaged can be directly related to one or more of these four areas. (See Figure 3.2.1-1)

1.4 Opportunities and Barriers

The Office of Information Resources faces several challenges over the upcoming years; however, most of these challenges are common to government information technology organizations. These challenges relate primarily to funding and retaining experienced technical staff.

State government, as a whole, faces serious financial challenges for the upcoming fiscal years. Heavy budget cuts are dictating that agencies reduce staff, streamline services, and delay projects. This poses particular problems for agencies such as OIR that operate solely on revenues generated from providing services. OIR is working closely with its customers to determine:

- ◇ the impact the budget cuts may have on agency needs for OIR services;

- ◇ ways agencies can save money in their current use of OIR services; and
- ◇ services OIR may offer to help offset the impact of some of the budget reductions (such as voicemail, on-line transactions, or web-enabling legacy systems.)

Notwithstanding the budget cuts for the upcoming fiscal year, OIR faces barriers to funding enterprise-wide technology solutions. Because there is no specific funding mechanism for enterprise projects in the state's budget process, these projects compete with other funding priorities. Hopefully, the budget shortfalls mentioned earlier will motivate agencies to aggregate their resources to use technology to solve common problems.

The other major challenge OIR faces is retaining experienced technical staff. The Office of Information Resources is addressing this issue by conducting studies of comparable pay for information technology (IT) workers, actively recruiting qualified individuals and developing incentive pay to retain these individuals. In addition OIR is developing training and certification programs directed toward IT staff to assist them in maintaining and upgrading their technical skills.

2. Business Overview

The following is a fact-based description of the Office of Information Resources.

2.1 Number of Employees

321 FTEs; 280 positions filled

2.2 Operations Locations

The Office of Information Resources operates from the state's data center located at 4430 Broad River Road in Columbia, SC. OIR also has satellite locations in Columbia at 1026 Sumter Street and in the Wade Hampton Office Building. In addition, OIR serves its Charleston customers through a satellite office at The Citadel in Charleston.

2.3 Expenditures

2.4 Key Customers

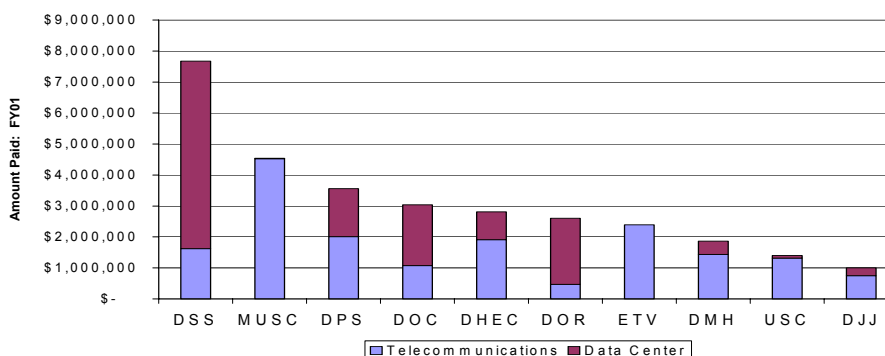
The Office of Information Resources provides telecommunication and data services to state agencies, institutions of higher education, K-12 school districts, county and municipal

governments, and, in some cases, the federal government. Figure 2.4-1 illustrates OIR's key customers based on the of their contribution to OIR's total revenues in FY '01.

2.5 Key Suppliers

- BellSouth – Communications Services
- SCNet – Communications Services
- Black Box – Cable and Wiring Services
- IBM – Computer Equipment and Software
- SCANA – Fiber Services
- Computer Associates – Software
- Avaya – Telecommunications Equipment
- Pinnacle – Software
- Hitachi – Computer Equipment
- SAGA – Software
- Cisco – Networking Equipment

Figure 2.4-1
Key Customers



2.6 Description of Major Products and Services

The Office of Information Resources operates three main businesses: Telecommunications and Network Services, Computing Services, and Electronic Government Services. These businesses are further broken down in the following lines of service.

Telecommunications and Network Services

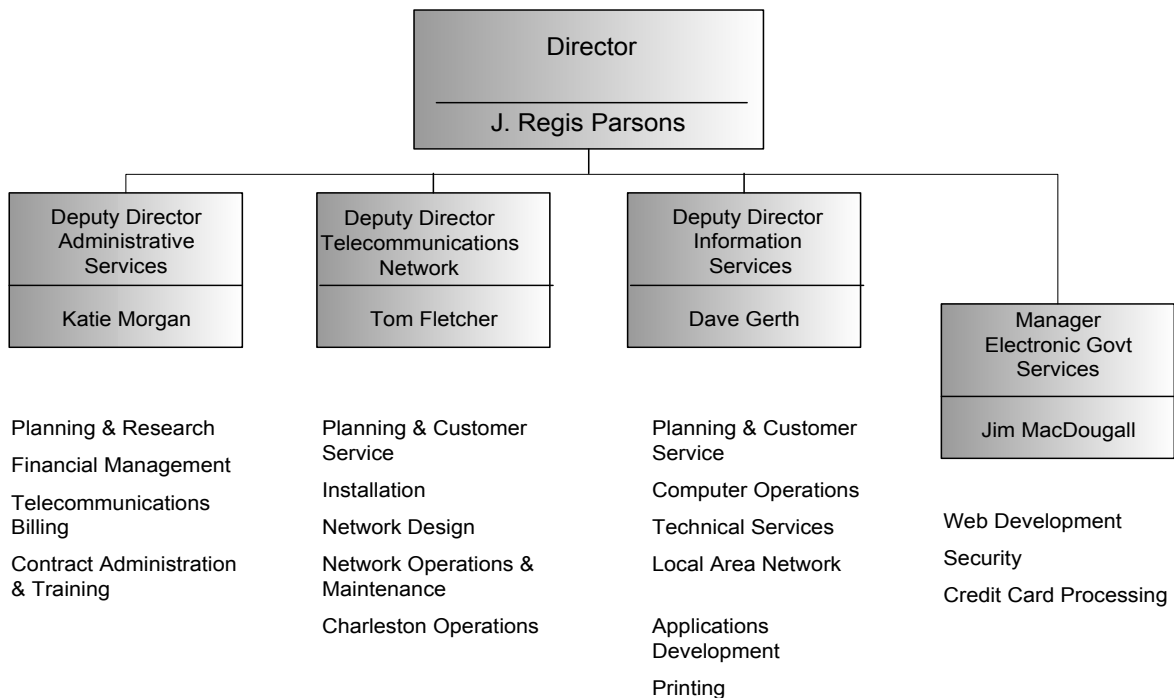
- ◇ Local Telephone Service
- ◇ Long Distance Telephone Service
- ◇ Data Network Services
- ◇ Video Services

Computing Services

- ◇ Mainframe Computing
- ◇ Local Area Network Services
- ◇ Applications Development
- ◇ Printing Services

Electronic Government Services

- ◇ Credit Card Processing
- ◇ Web Development
- ◇ Security Services

2.7 Organizational Structure

3. Elements of Malcolm Baldrige Award Criteria

Category 1 - Leadership

1.1 a-f Leadership and Characteristics of Leadership

Under progressive leadership, the Office of Information Resources is changing from an internally-focused information technology "shop" to an externally focused, multi-dimensional information technology resource provider and facilitator. The leadership in the Office of Information Resources consists of the Office Director, Deputy Directors and those key staff reporting directly to the Deputy Directors. This Leadership Team is responsible for overseeing development and revision of the Office's Strategic Plan, which is the official tool for communicating vision, mission, goals, objectives, and key performance expectations to employees and other interested parties.

Short term goals and objectives are established in support of the long term direction and usually take the form of cross-functional teams and projects. An illustration of such a short term objective is the implementation of the new customer work order fulfillment program (CWOFF). This program involves key participation from every area within the Office of Information Resources. Implementation of this project will greatly improve OIR's ability to interface with its customers, track productivity, and

analyze its business. Every staff member involved with the implementation of this project has this item as an objective in their EPMS.

In an effort to empower team leaders, OIR has supported a move from a centralized budgeting process to a more decentralized approach. Now, the managers of each line of service are responsible for his or her own budget, the revenue projections and the expenditures. This gives managers the information they need to make decisions that are both technologically sound and financially prudent, as well as the financial flexibility to invest in research and development activities that promote innovation and can foster new and/or more efficient and effective lines of business.

In addition, the Leadership Team recognized that the quality of OIR services and the contributions of its employees can be greatly enhanced through participation in timely and structured training opportunities. Toward this end, the Team established a Training Committee comprised of representatives of each of the major functional areas in OIR. This training committee has established the Employee Training Program (ETP). The purposes of this Program are threefold. First, the ETP insures that employee development is properly structured to promote growth in both professional and technical areas thereby attempting to maximize an employee's contribution to the organization and its mission. Second, this Program insures that training is consistently available throughout an employee's career. Finally, this Program provides managers and supervisor with an easy and convenient method for

designing/customizing training for each employee recognizing their individual talents, skills and career goals.

The Office of Information Resources has included training plans in all employee performance measurement plans (EPMS). This enables managers to link individual employee appraisals and training with the performance goals of its teams and work groups. Through this system, employees can identify exactly how their individual job supports the goals of the organization, what job skills are expected, and how those skills are to be acquired and maintained.

Under the direction of the Leadership Team and at the time of annual employee performance review, each employee reads and signs acceptable use policies for the Office email and Internet resources. The Leadership Team has also established office security, privacy, and appropriate casual dress guidelines to promote and support professional and ethical behavior.

1.2 Establishing and Promoting a Customer Focus

OIR leadership makes extensive use of user groups such as SCINET Users Council, the K-12 School Technology Initiative, the South Carolina Information Technology Directors Association, the State Agency Directors and Assistant Directors meetings, as well as numerous regional and local governmental gatherings to listen to customers. OIR focuses on promoting one-on-one customer service through its customer service units. These staff provide individual attention to customers in need of OIR services. In addition, the Office supports two customer satisfaction assessments annually...the Customer Satisfaction Survey and the Customer Focus meetings. These survey results are presented to the Leadership Team who is charged with recommending action in response to customer concerns.

1.3 Key Performance Measures Regularly Reviewed by Leadership

The following key metrics are reviewed by the OIR leadership on a routine basis:

Financial

- ◇ Revenue/Expense for each line of service
- ◇ Accounts Receivable
- ◇ Cash Balance

Business Capacity

- ◇ System growth for each line of business
- ◇ Number of trouble reports and response time
- ◇ Number of billable hours for programmers and technicians vs. projections
- ◇ System availability

Human Resources

- ◇ Workforce diversity
- ◇ Number of vacancies
- ◇ Training

1.4 Using Performance Review and Feedback to Improve Leadership

1.5 Current and Potential Impact of Products, Programs and Services

As the repository of data from the departments of Social Services, Mental Health, Juvenile Justice, Corrections, Public Safety and Health and Environmental Control, the Office of Information Resources houses sensitive personal data of the state's citizenry. Therefore OIR is very meticulous with the security of such data and protects it through the use of physical and technological security. OIR employs 24x7 security services from the Department of Public Safety; it utilizes the premiere firewall security to protect against "hacking"; and it allows limited access to its facilities through elaborate security systems and policies.

Likewise, OIR has gone to great lengths to protect citizens when they use credit cards to purchase government goods and services through the state's Internet portal, *MySCgov.com*. This credit card authorization process, coupled with OIR's security system, has become a key service of OIR's e-government portfolio.

1.6 Role of Leadership in Setting and Communicating Priorities

Through the deputy directors and the Leadership Team, the Director of the Office of Information Resources ensures that the Office stays focused on the three key goals of OIR, which are:

- ◇ to design and enhance a statewide integrated voice, video, and data network capable of supporting the technology applications of its customers: state, regional and local governments;
- ◇ to maintain and operate an enterprise-wide data center; and

- ◇ to facilitate the design and implementation of Web-based technologies to promote citizen access and government efficiency.

1.7 Role of Leadership in Supporting and Strengthening the Community

The Office of Information Resources promotes activities that supports and strengthens the community. Over the last twelve months, OIR employees have participated in the following activities:

- ◇ Adopt a family
- ◇ Hosted 4 Blood Drives at OIR
- ◇ Supported an Employee Wellness Program
- ◇ Supported Needy Families Losing Homes to Fire
- ◇ Supported the United Way, United Negro College Fund, Pets Inc., etc.
- ◇ Assisted at the State Fair/ Job Fair - SCINET Booth

Category 2 - Strategic Planning

2.1 Strategy Development

In FY98, the Office of Information Resources entered into a contract with the University of South Carolina's Center for Governance to develop a strategic plan for the Office. This process for developing the plan incorporated the

input of both OIR's internal and external customers. Since its inception, the plan has been revised twice in response to changing internal and external forces, the most significant of which have included a changing statewide, strategic planning environment and the emergence of e-government. The current plan (revised in January, 2001) includes a vision statement, a mission statement, values, strategic goals, program goals, objectives, program measures, as well as OIR's strategic focal points and activities.

a. Customer needs and expectations.

Citizens' expectations have risen as to how technology can help them gain access to governmental services. OIR's strategic goals, as outlined in its Strategic plan, are viewed in the context of a conceptual pyramid with four major categories: customer services, infrastructure, organizational development and the external environment. At the apex of the pyramid is **customer services**. (Figure 3.2.1-1)

b. Financial, societal and other risks.

Unlike most state organizations, OIR is supported completely by revenues generated from the sale of its services to other governmental entities. The accurate projection of revenue and expenditures are thus critical elements in the maintenance and enhancement of the information technology infrastructure provided by OIR to its customers. Essential elements to OIR's strategic financial planning and forecasting include revenue and growth mix, cost reduction/productivity improvement, and asset utilization/investment strategy. These issues are addressed in the Organizational Development component of OIR's strategic plan.

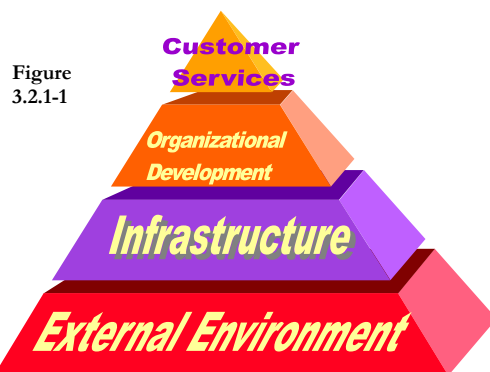
c. and d. Human Resource and Operational Capabilities and Needs.

After **Customer Services**, as the apex of OIR's strategic plan pyramid, the next two levels- Organizational Development and Infrastructure, represent the operational

components of OIR's strategic planning processes. The organization level includes the maintenance and enhancement of OIR and its staff as an organization that is viable and capable of meeting its customers needs. This area of the plan focuses:

- ◇ on developing and maintaining the appropriate resources, both human and fiscal, for the organization to do its job;
- ◇ staff development and training and other organizational enhancements such as strategic planning and developing a learning organization; and
- ◇ organizational support and administrative functions which monitor personnel

In addition to the organizational dimension of OIR's strategic plan, the third level of the



conceptual pyramid addresses the technology infrastructure for which OIR is responsible. The infrastructure represents the hardware (computers, routers, switches, wiring, etc.), all communications networks (backbones, LANs, WANs, microwave, fiber, cable, satellites, etc.), and software (operating systems, data base management systems, applications systems, etc.) which are the basic tools OIR uses to deliver its

services to customers. Maintaining, managing, enhancing and upgrading this infrastructure occupies much of OIR's efforts and is critical to providing the needed technological capabilities to its customers. Such strategic issues as shared information, security, and electronic commerce are implemented at this level.

e. Suppliers/Contractors/Legislative/ Partner Capabilities and Needs.

The Environment (represented by the base of the pyramid in the Strategic Plan) encompasses all those things external to OIR but which have a direct or indirect impact on OIR. OIR exists in a government environment which has a number of policy-making bodies which can have an impact on the organization. Such external occurrences as the evolution of electronic government and the rapid changes in technology will have a clear impact on how OIR conducts its business. Monitoring the external environment, including suppliers, contractors, the Legislature, and business partners is a key element in allowing OIR to adjust to changes and allow it to continue the effective provision of services to its customer base.

2.2 Development and Tracking of Action Plans

Within OIR, action plan development and tracking is structured around four strategic objectives and measures:

- (1) Financial - revenue enhancement, broadened mix of revenue, and cost reduction;
- (2) Customers - increase customer satisfaction with services, people, and on-going relationships and assist customers in identifying cost-effective services and alternatives, and insuring reliability, responsiveness;
- (3) Environment - understanding and implementing mandates, expanding

range and type of service based on environmental changes, expand customer markets; and

- (4) Corporate Learning - enhancing strategic skills, as well as the technical skill of employees, identifying, developing, and using strategic performance measures, and aligning goals and objectives.

2.3 Strategy Communication and Deployment

The Office of Information Resources uses a variety of methods and venues to communicate its strategic direction and deployment.

- ◇ The Office has Customer Services staff that meet regularly with their agencies to identify customer needs, to offer technology solutions to meet these needs, and to plan and assist in implementing the solutions.
- ◇ Annually, OIR participates in the SCITDA conference with customers and the interested public to discuss new services, successful programs, and the direction the state is taking concerning technology. During the past year, OIR co-hosted a statewide teleconference on *Web Site Accessibility for the Functionally Impaired* with SCETV, the State Library, the School for the Deaf and Blind, PSC, USC and OIR.
- ◇ Participation in various presentations.
- ◇ The Office annually conducts a customer satisfaction survey and during the past year hosted six customer focus group sessions for its lines of business. From the Focus Group session held in June, 2001, a document entitled, *The Voices of Our*

Customer, has been produced and will become an important part of future strategic plan revisions.

plan and the performance measures contained in it with employees and link employee performance objectives and training plans to the strategic plan.

OIR has posted its strategic plan on its Intranet and has directed each manager to review the

Category 3 - Customer Focus

3.1 Key Customers

The key customers of the Office of Information Resources are :

Key Telecommunications Services Customers		Revenue Fiscal Year	Key Data Center Customers		Revenue Fiscal Year
1.	Medical University of S.C.	\$4,412,843.31	1.	Department of Social Services	\$6,055,729.82
2.	Department of Social Services	\$1,289,943.93	2.	Department of Revenue	\$2,130,292.63
3.	Department of Public Safety	\$1,212,144.88	3.	Department of Corrections	\$1,961,631.03
4.	Department of Mental Health	\$1,136,749.45	4.	Department of Public Safety	\$1,548,268.54
5.	Department of Corrections	\$ 907,869.46	5.	Department of Health and Environmental Control	\$900,219.48
6.	College of Charleston	\$ 735,001.52	6.	Department of Transportation	\$809,496.88
7.	Department of Transportation	\$ 601,216.71	7.	Comptroller General's Office	\$792,257.80
8.	South Carolina State University	\$ 500,447.31	8.	Treasurer's Office	\$642,251.88
9.	Department of Education	\$ 453,459.00	9.	B&CB, Office of Human Resources	\$627,899.68
10.	Department of Juvenile Justice	\$ 414,583.01	10.	B&CB, Office of Internal Operations	\$626,533.80

These entities have been identified as the top ten sources of revenue for OIR in FY 2001. In addition, the following chart summarizes

OIR's current customer mix by lines of business.

Type of Customer	Phone Service	Internet	Applications Development	LAN	State Data Center	Ecommerce /Security
State Agencies (including local offices)	76	63	18	37	55	19
Colleges and Universities	7	23	1		2	
School District		86			N/A	
Schools		1128			N/A	
Libraries		189			N/A	
County Govt.		5			N/A	1

Type of Customer	Phone Service	Internet	Applications Development	LAN	State Data Center	Ecommerce /Security
Local Govt.		2			9	
Other			1		7	

3.2 Identification of Customers and Their Key Requirements.

OIR's potential customer base includes all entities able to purchase goods and services on State-government negotiated contracts. The actual customer base is composed of both governmental and quasi-governmental entities purchasing voice, video, data and/or data center services from OIR. The key requirements of OIR's customers are reliability, responsiveness, technical expertise, effective two-way communications, and a cost-competitive range and mix of services as determined from customer survey and focus group meetings.

3.3 Keeping Listening and Learning Methods Current with Changing Customer/Business Needs

OIR staff and leadership utilize a number of methods and means to keep abreast of Customer/Business needs. Some of these methods include Gartner™ and Meta Group™ consulting and research services to assess the national and international perspectives on current and emerging technology developments and market opportunities. On the national level, senior management participates in the regional and national meetings of NASIRE, NASTD, and other peer group and trade association training sessions and conferences related to OIR's lines of business. At the state level, OIR is an active participant in the South Carolina Information Technology Directors Association (SCITDA), South Carolina Government Management Information Science (SCGMIS), South Carolina Information Technology Professionals (SCITP), the South Carolina Government

Financial Officer's Association, and South Carolina Information Users Council (SCINET). In addition to these activities and as described below, OIR conducts an annual customer satisfaction survey and customer focus group meeting for each of its six lines of business.

3.4 Using Information From Customers/Stakeholders to Improve Services and Programs

In OIR Customer Focus Group meetings, participants are asked to identify four types of services and rate OIR on factors relevant to providing these services. Customers rate OIR on: (1) the services currently being received from OIR; (2) the services anticipated to be secured from OIR; (3) the most important factors leading to OIR-provided services being out-sourced and (4) factors leading to in-house development in the next 12-36 months. In the first two instances, participants are asked to rate OIR on reliability, responsiveness, technical expertise, communications, and range and type of services offered on a scale from 1 to 5 with 5 representing strong confidence in OIR service capability. This information, collected for the first time in June, 2001, will be used to both improve existing services in areas rated "weakly confident", as well as to expand and develop service offerings based upon the responses to out-sourcing and in-house development plans.

3.5 Measuring Customer/Stakeholder Satisfaction

OIR uses an annual Customer Satisfaction Survey and Customer Focus Group meetings to measure overall customer satisfaction. In FY 2001, the annual customer satisfaction survey was mailed to 415 customer contacts

and 158 responses were received for a return rate of 38.07%. In June 2001, invitations to participate in OIR Customer Focus Group meetings were mailed to seventy-four (74) customers and twenty-seven (27) attended for a participation rate of 36%. Survey and Focus Group results are presented in Section 3.7.1.

3.6 Building Positive Relationships with Customers and Stakeholders

OIR has Customer Services staff that meet regularly with customers to identify customer needs, to offer technology solutions to meet these needs, and to plan and assist in implementing the solutions. Second, OIR participates in and uses the annual South Carolina Information Technology Directors Association (SCITDA) conference with its customers to discuss new services, successful programs, and the direction the state is taking with regard to technology. Third, as mentioned above, the Office annually conducts a customer satisfaction survey on the services provided by OIR and in June, 2001 conducted six customer focus group meetings across its lines of business.

Category 4 - Information and Analysis

4.1 Deciding on Operations, Processes, and Systems to Measure

The Office of Information Resources is responsible for the day-to-day operations of the state's telephone system, its major data networks and its data processing services. As an office fully dependent on billable services for its revenue, it is run much like a business whose annual revenue exceeds \$50 million. OIR has found that its customers are most concerned about:

- (1) the reliability of its services (e.g. Can I place a call when I want to? Will my computer jobs

be run at the data center? Is the Internet available? Will my computer work?);

- (2) the responsiveness of its staff (How long will it take to fulfill a service request? How long will it take to fix a problem? How long will it take to develop an application); and
- (3) the rates OIR charges for its services.

Therefore, OIR has implemented and is continuing to implement systems to track cycle times and system reliability. In addition, OIR closely monitors its revenue and expenses, not only to fairly allocate costs and to establish rates, but also to fulfill its obligations to suppliers and customers through a favorable cash position.

4.2 Ensuring Data Quality, Reliability, Completeness and Availability for Decision-Making

In order to ensure data availability and reliability, OIR utilizes various software tools to monitor key system components. The use of HP Openview is an example of an analytical software tool that is used to monitor hardware nodes/devices: such as routers and switches in the telecommunications networks. The software also logs traffic (utilization) in the event that an agency or institution is experiencing potential bandwidth problems. In addition to in-house diagnostic and reporting capabilities, the Office has access to web information statistics from OIR's vendors to further diagnose potential bandwidth problems. State government's Internet service provider, InfoAve provides OIR with detailed statistics over the web for analyzing bandwidth usage: averages and even bursting rates. These analyses gives OIR further accountability towards ensuring that our customers have adequate bandwidth for their networking needs.

Likewise, Information Systems Operations (ISO) Data Processing utilizes numerous software tools to monitor the processing activity of its operations. It routinely reviews the processing trends of its customers in order

to determine future capacity needs. In addition, with the assistance of the Gartner Group™, OIR tested its cost reasonableness by comparing its cost of operations with its peer groups in both the mainframe environment and the LAN environment.

4.3 Using Data and Analysis to Support Decision-Making

The Office of Information Resources is driven by system performance, reliability and cost effectiveness. Staff routinely monitor peak demand on the mainframe, data networks, telephone switches, and e-government applications in order to decide when more system resources are needed. In addition, staff monitor trouble calls to determine the types and sources of such calls in order to determine if there are patterns to the troubles that can be addressed systemically. Finally, staff conduct monthly reviews of financial data to determine if systems are performing cost effectively, if revenues are being received as projected and if there are opportunities for rate reductions.

4.4 Selecting and Using Comparative Data

The businesses operated by the Office of Information Resources are complex; but they are not unique to state government. Comparable businesses can be found in the private sector. Therefore, where practicable, the Office of Information Resources compares itself to private sector benchmarks. In order to achieve an apples-to-apples comparison, OIR has employed the Gartner Group™, an internationally recognized technology consulting firm, to compare the operation of several of OIR's key lines of business to those in comparable peer groups. These evaluations give OIR a good indication of the integrity of its operations. Thus far, the data center and the LAN business have undergone this type of analysis. Local services and long distance services are currently being reviewed.

Category 5 - Human Resources Focus

5.1 Encouraging and Motivating Employees

The Office of Information Resources recognizes the need to develop a labor pool of talented individuals capable of leading organizations in an ever changing environment. To this end, OIR is committed to developing innovative programs that foster individual growth for employees, target internal staff for hard-to-fill positions and aid in creating a diverse workforce. OIR's multi-faceted approach to human resource development and management is as follows: 1) establishment of the Employee Training Program, 2) development of a variety of training delivery methods, 3) participation in employee recognition programs, and 4) participation in Board and other Government training and development initiatives. Each employee, as part of his or her EPMS process, works with his or her supervisor to establish a training plan each year. Fulfillment of the training objectives noted in the plan is made a part of the EPMS review.

5.2 Addressing and Identifying Key Developmental and Training Needs

The Employee Training Program includes a combination of technical and professional training courses which have been selected by OIR's Training Council to foster achievement of the organization's mission and to ensure staff competencies in both current and future work assignments. The Training Council realized that this Program will not address all of OIR training requirements and must be supplemented by seminars, conferences and special courses resulting from new projects and/or assignments. The Training Council will make every effort to add, modify and delete courses in order to meet the core needs of the organization, its staff and customers.

OIR's goal is to provide each employee with approximately forty (40) hours of training annually. This will consist of a combination of professional and technical training. This training will be based upon the Career Training Plan developed by the employee and his/her supervisor. This training will consist of courses in various formats including classroom instruction, Web-based training, and computer-based training. The training will also include courses being offered office-wide such as customer service training.

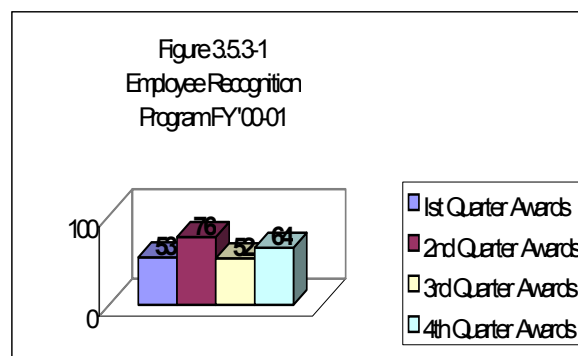
Because training is so critical to the organization, and because funding and time constraints can limit the amount of training made available to employees, OIR began seeking other ways to deliver training to its employees aside from traditional instructor-lead courses. OIR examined the use of web-based training as well as training offered on CD-rom and video tapes. After much review, the Office, in conjunction with the Materials Management Office, issued an RFP for web-based training. Through this RFP a state contract was established which enables agencies to purchase web-based training courses at a fraction of the cost of instructor lead training. OIR tested this training methodology over the past year by encouraging each employee to take at least two of these courses and provide feedback on the delivery mechanism. The results of the feedback enabled OIR training staff to work with the vendor to improve the delivery of these courses.

5.3 Supporting High Performance Through EPMS and Feedback to and from Employees

The Office of Information Resources tracks overtime hours, billable hours of certain professional staff, annual leave time, and sick leave time. For employees working in a "billable hours" line of business, target performance levels are established.

Employees are encouraged to go "beyond the call of duty" through the use of the Employee

Recognition Program. The Office of Information Resources recognizes that a satisfied workforce leads to satisfied customers. Therefore, OIR established an employee recognition program designed to honor and encourage employees and work teams who contribute to the success of the organization. This awards program is executed at the managerial level and allows for immediate recognition of a "job well done." It is OIR's intent that the Awards and Recognition Program serve to motivate employees toward excellence of service.



5.4 Assessing Employee Well Being and Satisfaction

OIR tracks overtime hours and the average employee leave time, both annual and sick leave as an indicator of employee well-being. Dramatic increases in the use of annual or sick leave may be an early indicator of employee stress. Likewise any substantial increase in overtime hours may indicate that changes need to be made in processes to ward against employee burnout. On an informal basis, OIR monitors participation in Office-wide events such as the Spring Fling or Fall Festival to get an indication of employees' affiliation with the organization.

5.5 Maintaining a Safe and Healthy Work Environment

The Office of Information Resources works closely with the Office of General Services to ensure that OSHA regulations are met

throughout the organization. In addition, OIR has sponsored a wellness campaign, hosted exercise events, hosted speakers on ergonomics, back pain, diet, hazardous materials, and stress, sponsored several blood drives, executed fire drills, and provided 24x7 security guard coverage for the facility.

5.6 Extent of Community Involvement in the Workplace

The Office of Information Resources allows its facilities to be used for blood drives through the American Red Cross. The office has supported a donations campaign for Pets, Inc. It has sponsored needy families and supports charitable causes such as the United Way and the United Negro College Fund.

Category 6 - Process Management

6.1 Using Key Design and Delivery Processes for Products/Services

One key delivery process in the Office of Information Resources is Customer Service Request process. This is the process through which OIR's telecommunications customers request services through OIR. Historically, this has been a very manual and paper intensive process where customers phone or fax their requests for telephone moves, adds, or changes to a customer service representative and these representatives then make copies of the requests and send them to the appropriate technical area for implementation. This process did not allow OIR to track cycle time for independent processes, accurately estimate the service delivery date, or easily track the status of an order. To rectify this situation, OIR is in the process of implementing an automated customer work order fulfillment program. This program will enable the customer to enter and track the status of his or her order on-line. This program has

also provided the initiative for OIR to streamline and automate other processes.

Likewise, Data Center Consolidation has enabled OIR to streamline its operational processes through standardization and automation:

Automation:

- **Virtual Tape System**

Historically, OIR has staffed the data center with tape librarians and technicians to locate and mount tapes for processing specific jobs on the mainframe. With data center consolidation, this became a daunting and time consuming task. Therefore, OIR instituted a virtual tape system, a robotic tape mount system, that automatically identifies and mounts specific jobs. This automated process saves considerable time and money for OIR and its customers.

- **Job Scheduler**

The submission of jobs at the state data center has been for the most part a manual process. The state data center now uses a workload management tool, CA-7 Job Scheduling System, that provides data center management with powerful tools for planning and improving the overall performance of the production environment. This system maintains a database containing job information, execution requirements, documentation, schedules and processing dates. CA-7 automatically submits jobs, enforces predecessor conditions and tracks the progress of each job. This automated process saves considerable time and money for OIR and its customers.

- **Reports On The Web**

The state data center processes thousands of documents daily. These documents are printed and organized by customer agency for distribution. OIR is currently evaluating several output management systems to automate and streamline this workload. Strong consideration will be given to those systems that publish reports to the Web in a secure environment and

allow access to these reports with a standard Web browser. Significant cost savings should be realized because of reductions in printing cost and manpower.

Standardization of OS/390 Operating System:

As a result of data consolidation, there were several versions of the OS/390 operating system being used by various customer agencies. OIR has standardized the OS/390 mainframe operating system to single version for most customer agencies. All customer agencies will be using a single version of the operating by the end of FY 2002. This standardization has resulted in a significant reduction in the cost of operating system maintenance as well as more efficient use of staff resources.

6.2 Using Day-to-Day Operations to Ensure Meeting Key Performance Requirements

Both the customer work order fulfillment program and the virtual tape system enable OIR staff to deliver services to the customer in a timely manner.

The Customer Services group has several staff members that continuously monitor the status of Customer Services Requests. An online web system was created in the interim until the Customer Work Order Fulfillment (CWOFF) system is implemented. OIR staff can check all requests entered by the users. We can also monitor if the vendors, BellSouth and SCNet, have accepted the requests. OIR can ensure on-time completion dates by performing this constant on-line monitoring.

6.3 Using and Improving Key Support Processes to Achieve Better Performance

OIR's key support processes are the procurement, accounts payable and billing processes. It is critical for the mission of OIR that staff be able to procure goods and services quickly and efficiently and that customers are billed for OIR's services in a timely manner.

During the past fiscal year, OIR assisted the Office of Internal Operations in a review of these key processes. The results of that review helped streamline all of these processes and take out unnecessary steps. The efficiency of the accounts payable process ensures that OIR maintains a good working relationship with its suppliers. An accurate and efficient billing process promotes customer satisfaction while ensuring the financial stability of the organization.

Another key support process is the training approval process. In response to internal concerns with OIR's training approval process, the Administrative Services section, with the support of OIR's applications team, developed an automated training approval system. This automated process reduces paper flow and gives employees immediate feedback as to the status of their training request.

6.4 Managing and Supporting Key Supplier/Contractor/Partner Interactions and Processes

OIR tracks, monitors, and evaluates its 205 vendors each month. The first management performance tool used is the "Vendor Effectiveness Report." This report can be sorted in three different modes. The first mode provides the OIR Supply Manager with a report to monitor the type of equipment procured from each vendor and how many pieces of equipment failed within the vendor's warranty timeframe. The second provides the failure rate for each specific type of equipment, per month, per fiscal year. This enables the OIR Supply Manager to evaluate if a specific vendor is providing excellent quality and or unacceptable quality per each different type of equipment being procured. And, the third mode provides a total recap and average of each vendor's performance for the month; and an average of each specific type of equipment's failure rate for the month. This enabled the OIR Supply Manager with a "Quick-Look" of each vendor's overall quality. In eight years (8) OIR has used

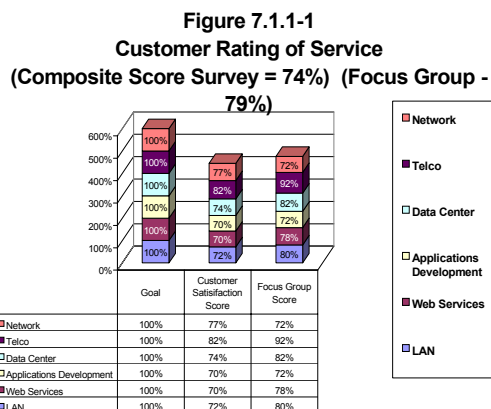
this data to terminate procuring equipment from two (2) vendors who provide unacceptable quality.

Category 7 - Business Results

7.1 Performance Levels and Trends for the Key Measures of Customer Satisfaction

7.1.1 OIR Customer Satisfaction Results

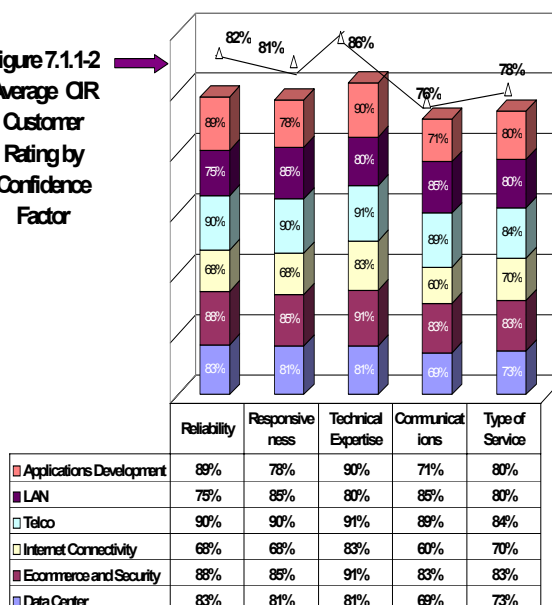
Overall customer satisfaction results are shown in Figure 7.1.1-1. The results compare the satisfaction ratings from OIR's Annual Customer Satisfaction Survey (ACSS) and Customer Focus Group meetings (CFGM). OIR's composite customer satisfaction score for the ACSS was 74% and 79% for the CFGM.



Using information from the CFGM, Figure 7.1.1-2 provides customer satisfaction rating for key factors of performance across OIR's six lines of business. Customers have rated OIR on Reliability, Responsiveness, Technical Expertise, Communications, and Range and Type of Services Offered. Overall, the customer ratings of OIR on these critical performance factors is good. However, both the areas of Communications (76%) and Range and Type of Services Offered (78%)

afford opportunities for increased

Figure 7.1.1-2
Average OIR Customer Rating by Confidence Factor

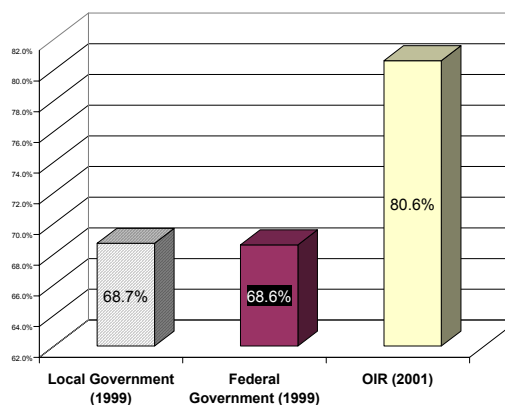


performance.

7.1.2 OIR Customer Satisfaction Ratings Compared with National Benchmarks

OIR has used the American Customer Satisfaction Index Scores by Industry Sector, 1994 - 2000 to establish a customer satisfaction benchmark. The Index reports Customer Satisfaction Scores (using a 0 to 100 scale) for eight industry sectors, including Public Administration/Government.

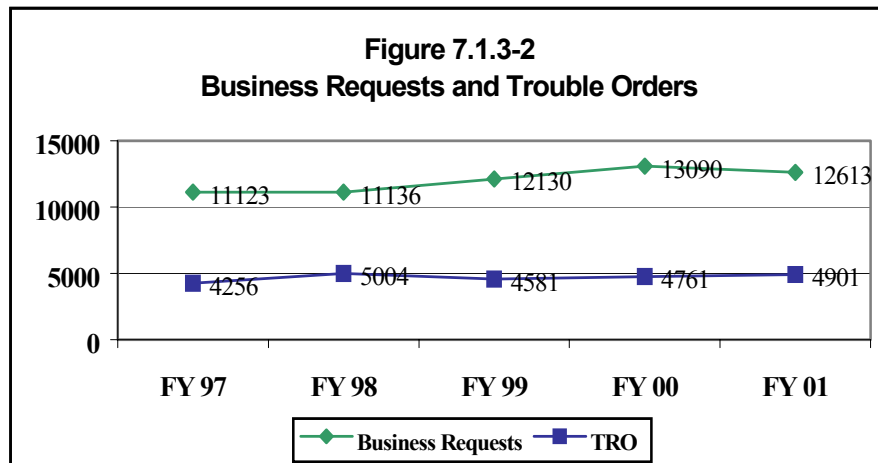
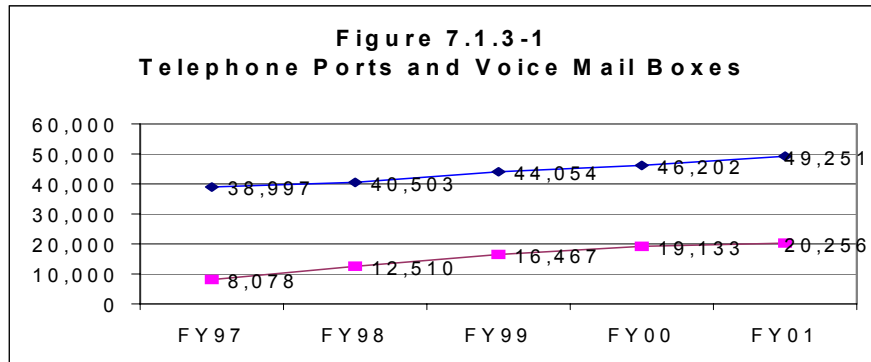
Figure 7.1.2-1
OIR Overall Rating of Customer Satisfaction Compared with National Benchmarks (1999)



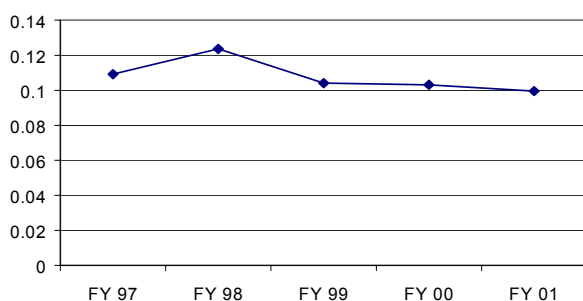
7.1.3 Customer-Focused Business Results

OIR's Telecommunications Office effectively responded to the 6.6% increase in telephone ports and 5.8% increase in voice mail ports. By consolidating the work order process into a more efficient process this actually decreased the actual number of Customer Services Business Requests by 3.6%. The number of Trouble

Repair Orders (TRO) increased by only by 3.0% this fiscal year despite the vast number of new telephone and voice mails added. As equipment ages the expected number of troubles normally rise. This will result in an increase in technicians or an upgrade of equipment in the future.



**Figure 7.1.3-3
Troubles Per Ports**



7.2 Performance Levels and Trends for the Key Measures of Mission Accomplishment

As discussed in Category 4, OIR can only meet its mission by anticipating and responding to the customers needs for computing and communications services in a timely manner. The results listed below illustrate how OIR has effectively met its customers demands for its various lines of business.

7.2.1 Performance Levels - Telecommunications and Network Services

- a. Respond effectively to growing customer demand for more phone service by increasing the number of ports while maintaining the current staffing level.

Results: The number of ports added to the state system was 6.6%. (See Figure 7.3.1-1)

- b. Respond to growing customer demand for more data by providing Internet connections to 100 percent of South Carolina public schools, school districts and public libraries.

Results: South Carolina is a leader in the country with 100% public schools connected and 96% with a T-1 or greater speed (See Figures 7.2.4-1 and 2)

- c. Maintain quality of service for voice, video and data networks while minimizing operating and maintenance costs.

Results: Likewise, OIR responded to the rapidly increasing demand for Internet access (up 125%). (See Figure 7.3.1-2) For the voice system, modifications produced savings of over \$50,000 per month.

- d. OIR supports a wide range of network circuits in providing voice, data and video services to the state's telecommunications customers.

Results: OIR uses the same technicians to handle all network services: voice, data and video. Staff was increased by a reallocation of existing resources from another area within OIR.

7.2.2 Performance Levels – Computing Services

- a. Respond to the growing demand for desktop personal computing service while maintaining a static workforce allocation.

Results: Increased the total number of servers supported by 9% to a total of 62 servers. (See figure 7.2.4-5) Decreased the number of desktops supported less than 1% to a total of 895 desktops. (See Figure 7.2.4-6)

- b. Maintain local area network (LAN) availability at 99 percent.

Results: Maintained Local Area Network (Lan at 99 percent for the fourth consecutive year.

- c. Respond to the growing demand for mainframe processing capability.

Results: The master plan for data center consolidation projected the capacity for the two mainframe processors installed at the State Data Center would be 501 MCUs (Mainframe Computing Units) by the end of FY 2001. This projection proved to be 13% less than customer agencies actually required by July 2001. (See Figure 7.2.4-7)

- d. Maintain mainframe processor availability at 99 percent.

Results: Maintained mainframe processor availability at 99 percent for fourth consecutive year.

- e. Deliver 99% of printing jobs from the Print Shop on schedule.

Results: For the 4th consecutive year, achieved 99% plus rate of on-time delivery of printing jobs. (See Figure 7.2.4-8)

services are billed and revenue is collected within 60 days.

Results: OIR's accounts receivable over 120 days is less than one percent of its monthly billing.

- b. Ensure quality customer relations by processing accounts payable within 10 days.

Results: OIR process telecommunications invoices within 12 days and non-telecommunications invoices within 5.1 days.

7.2.3 Performance Levels – Administrative Services

- a. Maintain the financial viability and integrity of the Office by ensuring that

7.2.4 Trends for Key Performance Measures

7.2.4.1 Trends - Telecommunications and Network Services

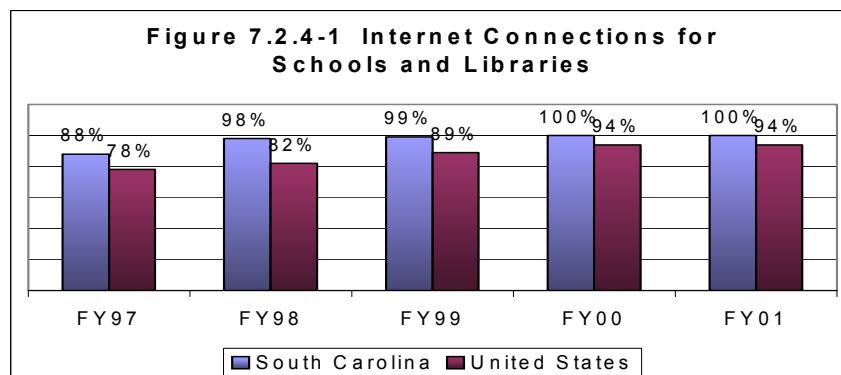


Figure 7.2.4-2
Schools and Libraries, T-1 or Higher

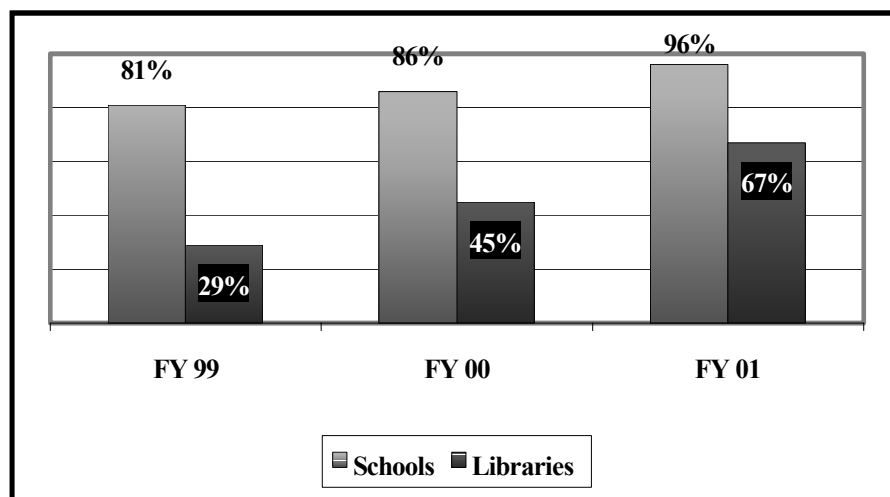


Figure 7.2.4-3

OIR ACCOUNTABILITY REPORT 2001

Circuits Supported

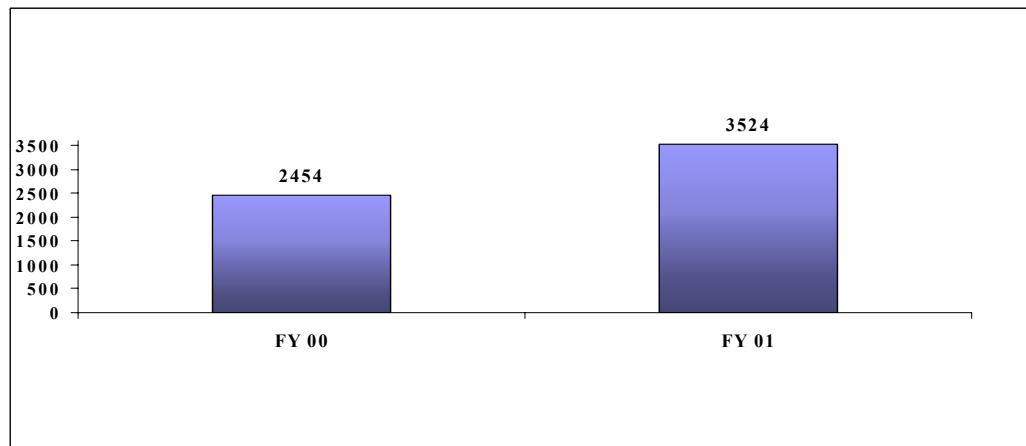
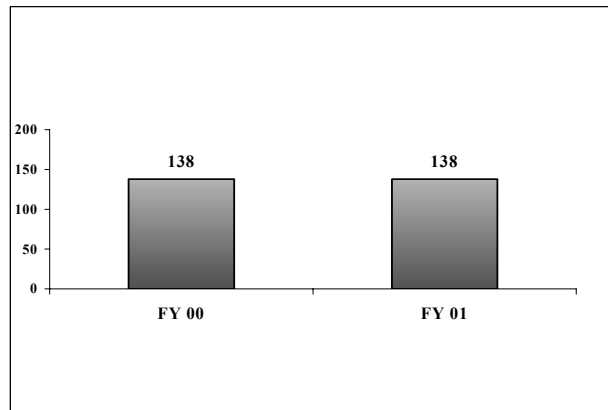
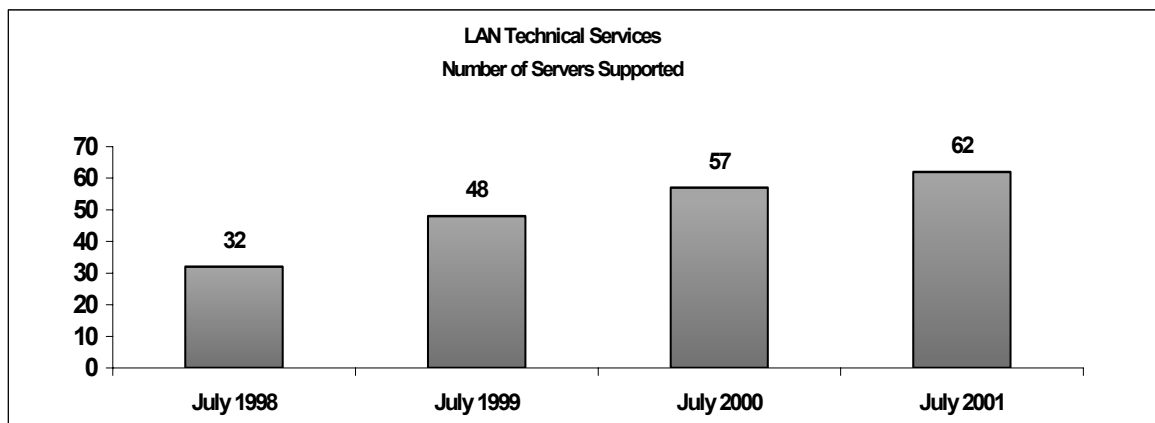


Figure 7.2.4-4
Routers/Switches Supported



7.2.4.2 Trends – Information Services

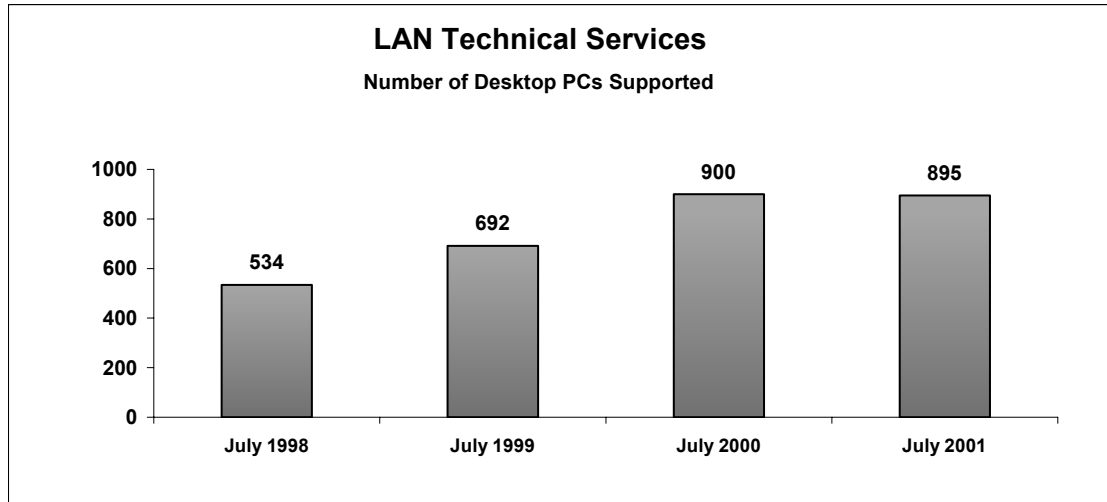
Figure 7.2.4-5
Servers Supported



OIR ACCOUNTABILITY REPORT 2001

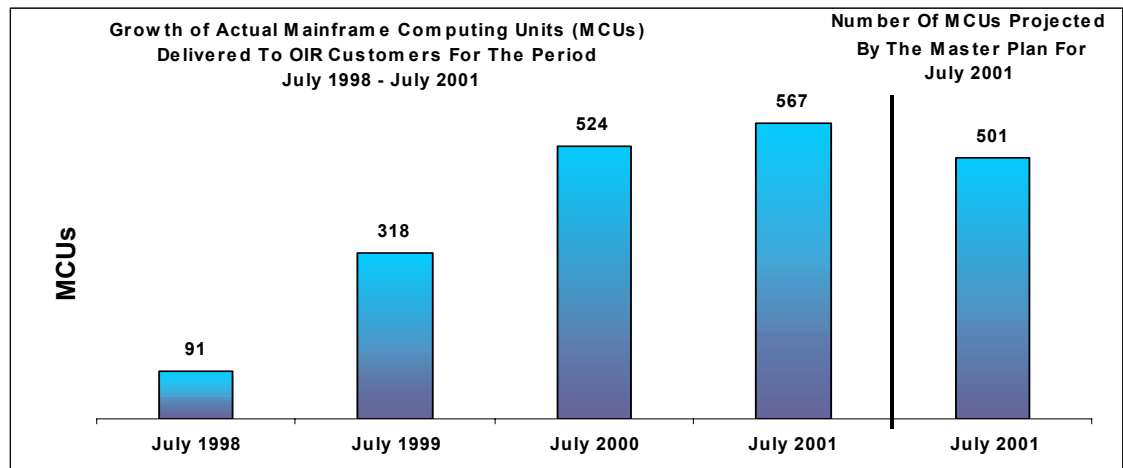
7.2.4-6

Desktop Personal Computers Supported



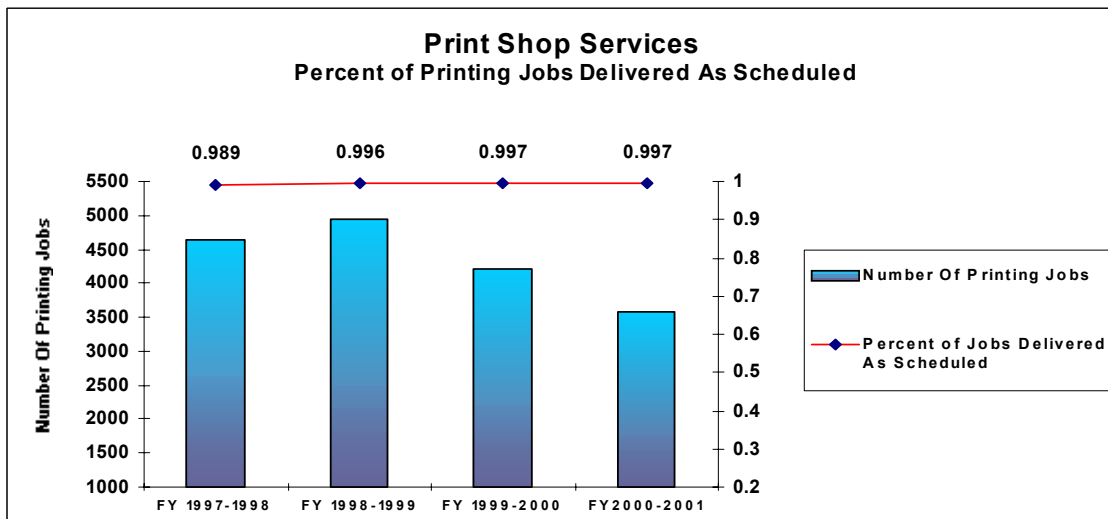
7.2.4-7

Mainframe Computing Capacity



7.2.4-8

Print Job Services



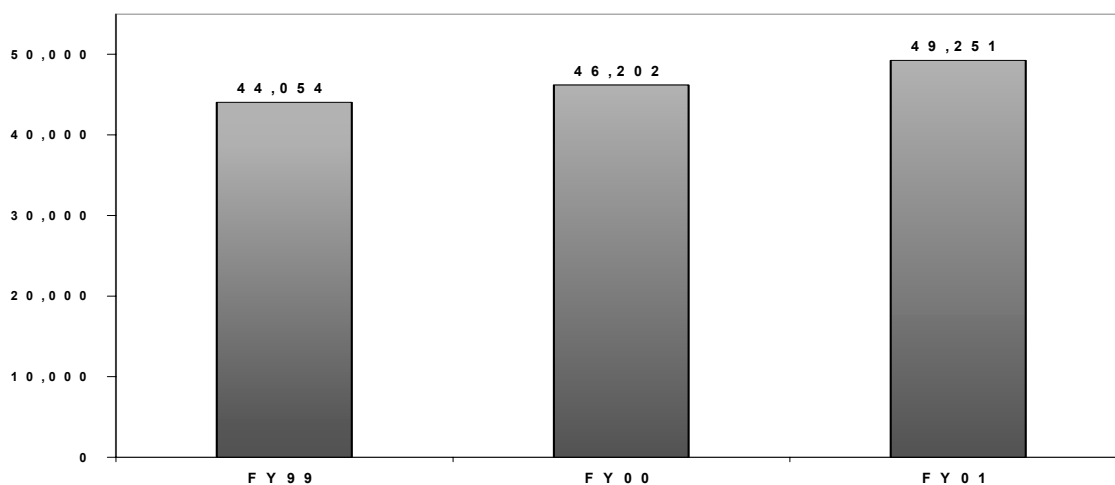
7.3 Performance Levels and Trends for the Key Measures of Employee Satisfaction, Involvement and Development

7.3.1. Employee Productivity

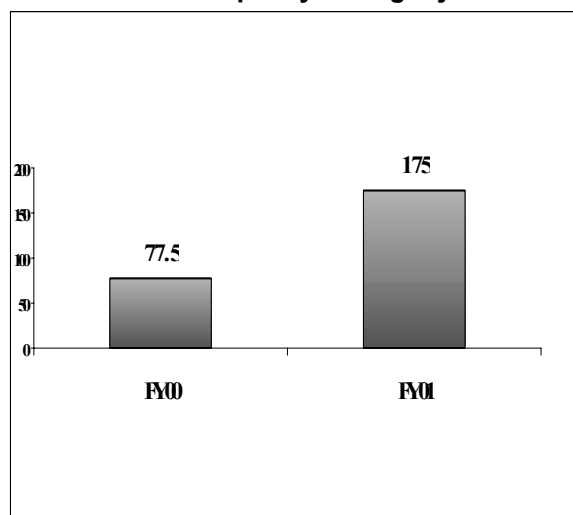
One way to determine employee satisfaction and development is to review employee productivity measures. A decline in productivity can indicate problems with morale, workload, or lack of training. Outlined below are several indicators of OIR productivity levels.

- a. OIR staff responded effectively to growing customer demand for more service by increasing the number of ports while maintaining the current staffing level. As illustrated below, demand increased the number of telephone ports by 6.6%.
- b. Likewise, OIR responded to the rapidly increasing demand for Internet access (up 125%).

Figure 7.3.1-1 Telephone Ports



**Figure 7.3.1-2
Internet Capacity in Megabytes**

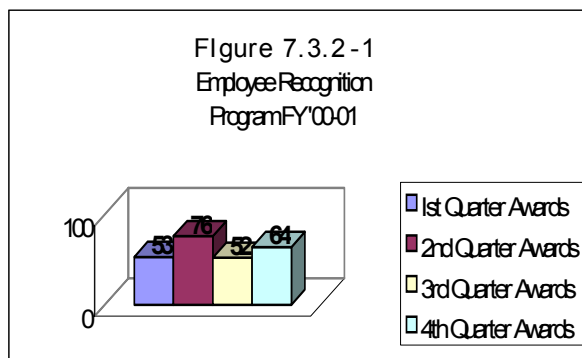


- c. To respond to the demand for desktop personal computers and servers supported for customers and concurrently increase the number of each supported per technician.

Results: Increased the total number of servers supported and the number of servers per technician by 9% to a total of 62 servers and 15.5 servers per technician. (See figure 7.2.4-5) Increased the number of desktops per technician to 99.4 desktops per technician. (See Figure 7.2.4-6)

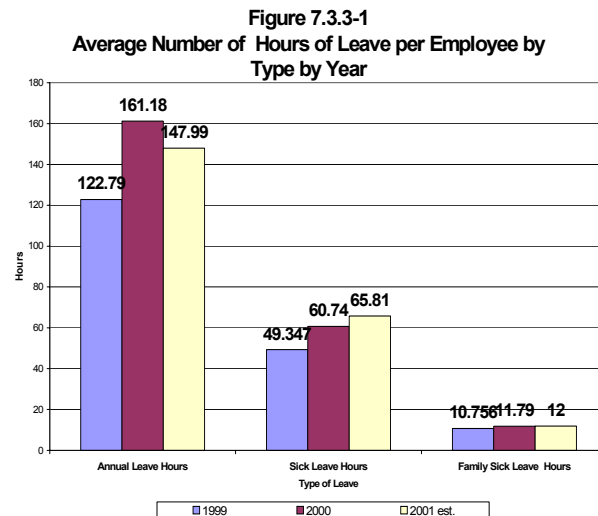
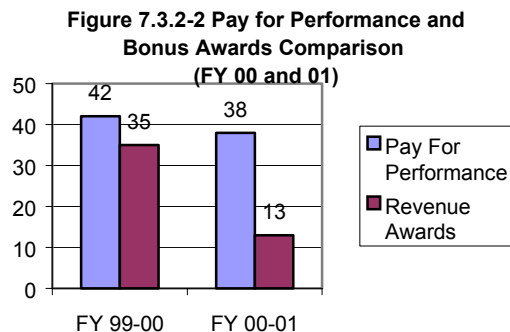
7.3.2. Employee Satisfaction

The Office of Information Resources recognizes that a satisfied workforce leads to satisfied customers. Therefore, OIR established an employee recognition program designed to honor and encourage employees and work teams who contribute to the success of the organization. This awards program is executed at the managerial level and allows for immediate recognition of a "job well done." It is OIR's intent that the Awards and Recognition Program serve to motivate employees toward excellence of service.



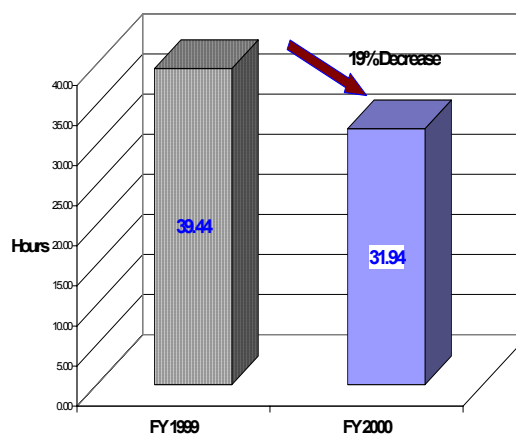
The level of compensation and bonus awards is monitored as a contributing factor to employee satisfaction. With the budgetary constraints of the period beginning in January, 2001, a significant reduction in bonus awards has been noted. (See Figure 7.3.2-2)

7.3.3 Leave and Overtime Patterns



The use of annual leave and sick leave are reviewed as indicators of employee well-being. Because OIR employees work in a stressful field, it is important for them to take time to rejuvenate. In calendar year 1999, it was difficult for OIR employees to take leave because of the

Figure 7.3.3-2
Comparison of Average Number of Hours of Paid Overtime by Year for Non-Exempt Employees (FY 1999 and 2000)



move to the data center, telecommunications switch upgrades and Y2K remediation efforts. Therefore, staff made up for this lost time in calendar year 2000. (See Figure 7.3.3-1)

Similarly, tracking overtime hours for non-exempt employees allows OIR to monitor the stress level of its employees. Excessive overtime creates discontent and may lead to a dissatisfied work place.

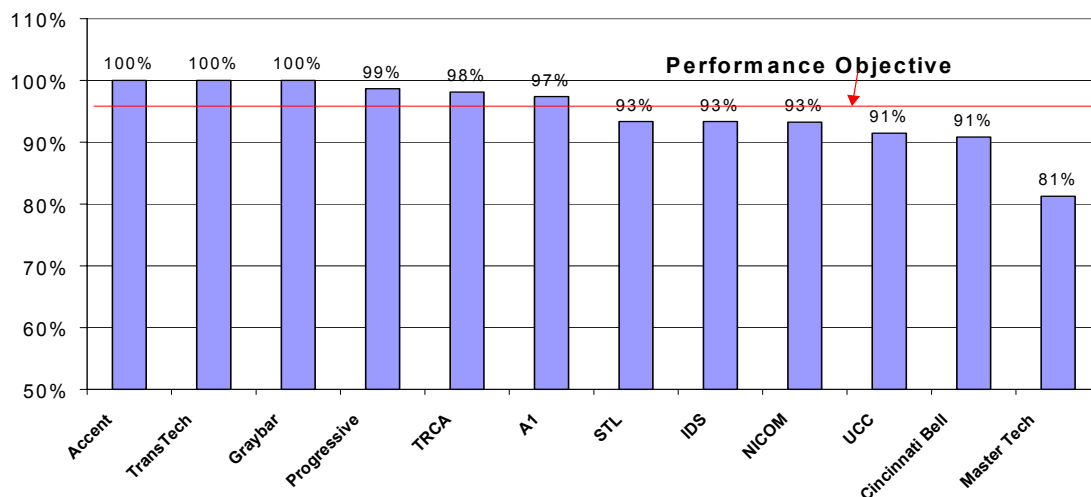
7.4 Performance Levels and Trends for the Key Measures of Supplier/Contractor/Partner Performance

OIR is very dependent upon its suppliers and partners in delivering services, especially in the area of telecommunication. Therefore, OIR pays particular attention to vendor

performance with regard to responsiveness and reliability.

Illustrated below is an example of the data used to determine vendor effectiveness. This particular chart tracks the failure rate of vendor supplied digital telephone sets. If a vendor falls below the performance objective, they are notified of their unsatisfactory failure rate and are monitored even more closely. OIR has used this system to remove vendors from its supplier list.

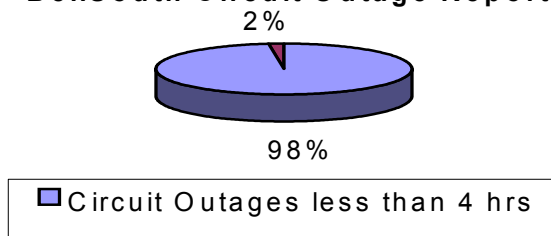
**Figure 7.4 -1
Equipment Vendor Effectiveness**



In addition OIR is always looking for redundant ways to deliver services to ensure reliability to its customers. In this vein, OIR secured a second Internet Service provider, Sprint, to serve as an alternate on-line realtime provider in the event of a problem with its primary provider, InfoAve. OIR has combined with BellSouth and SCNet to develop an Official SCINET Trouble Reporting Procedures guide. This document

is kept current and explains the process to all customers of the state's network. Customers are given instructions on what information is required when reporting an outage or problem. Additionally, four levels of escalation numbers are given with phone numbers and pagers in the event that the customer cannot reach the Point of Contact number.

Figure 7.4 - 2
BellSouth Circuit Outage Report



At each bi-monthly SCINET Users Council meeting the vendors, BellSouth and SCNet provide outage reports as required by their contracts. This information is distributed to each agency representative attending.

OIR has assisted all counties in the implementation of Wireless 911 Phase I which provides a callback number and the location of the nearest tower. All counties that have completely implemented E911 have also implemented Phase I with at least one wireless vendor in their respective area.

The next phase, Phase II, will provide a callback number along with the latitude and longitude within 125 meters of the 911 call. This phase is not expected to be implemented in the near future as all vendors are petitioning the FCC for more time. OIR has assisted Spartanburg County in the initial stages of implementation with Verizon.

7.5 Performance Levels and Trends for the Key Measures of Compliance and Citizenship

E-911

OIR has assisted all Counties within the State with implementing basic E911 services in their communities. (See Figure 7.5-1)

E-Rate Program

OIR completes the federal requirements for E-rate reimbursement for all 86 school districts. This has provided an enormous financial resource for providing technology to the state's K-12 community. OIR also provides guidance and leadership to all districts and manages the vendors providing the resources to all K-12s. *E-Rate Participation:* OIR and the K-12 Technology Initiative have worked with the public schools in South Carolina assisting them in their filing for E-Rate funds. OIR requests reimbursement for Internet expenses. However, the schools submit their requests independently.

Figure 7.5-1
County E-911 Systems

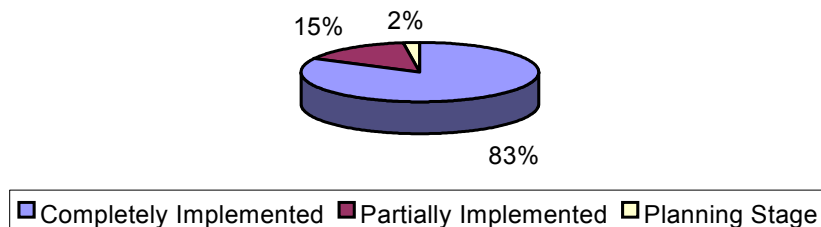


Figure 7.5-2
E-Rate Reimbursement Amounts

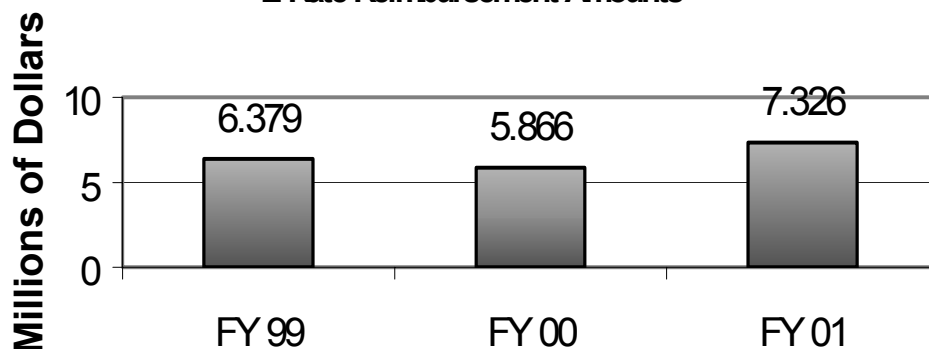
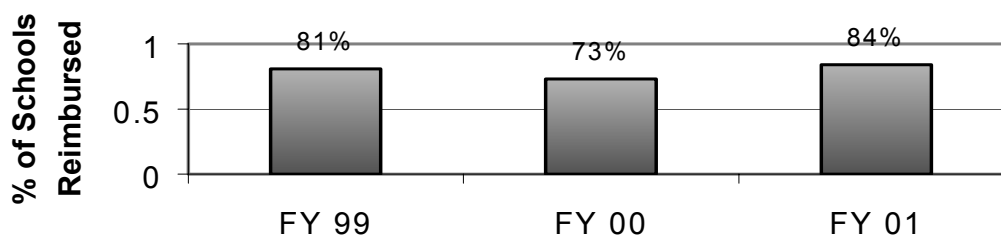


Figure 7.5-3
E-Rate Participation



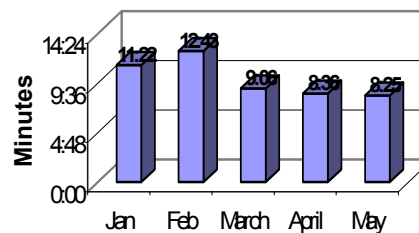
Emergency Preparedness

OIR also provides support to the State's Emergency Preparedness Initiative. OIR works with vendors in coordinating the State's Emergency Telephone Network. An Emergency Communications Vehicle (ECV) is also maintained entirely by OIR staff members. This fully operational mobile communications center support any and all types of disasters, hurricanes, tornadoes and floods. It is also used in to support law enforcement events, such as rallies and marches by coordinating the communications between the different law enforcement agencies. In addition, OIR produces Hurricane Evacuation maps using its GIS system.

MySCgov.com

The Office of Information Resources

Figure 7.5 - 4
MySCGov Session Length



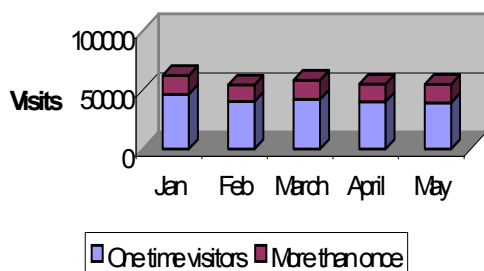
unveiled its newest and most citizen-focused service in November 2000. *MySCgov.com* was designed to offer citizens a one-stop shop for government services. Using the Portal, South Carolina has streamlined the tax collection process through utilizing online tax payments.

Other online services have also been introduced and rising utilization rates testify to citizen's appreciation of e-government. For example, searching the Secretary of State's business filings, database online appeals of property assessment (and search) for Lexington County residents, and online state procurement bids and awards to name a few services currently offered.

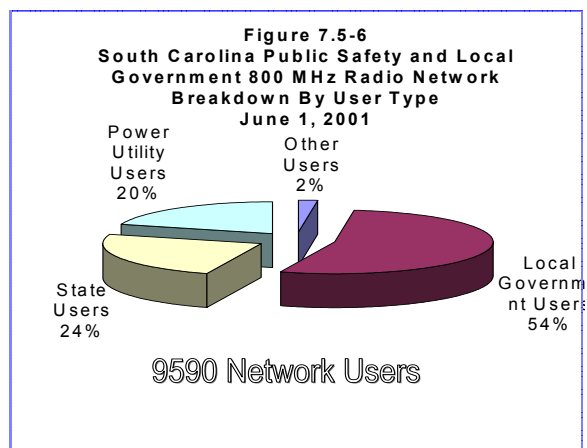
800 MHz Radio System:

The Office of Information Resources manages the 800 MHz radio system contract for state and local government. The goal of the system is to have statewide radio coverage for all state agencies. Over the last year, the system added six new sites, thus significantly expanding the coverage area. In addition, OIR was instrumental in facilitating the transfer of system management from SCANA Communications to Motorola, Inc. As part of the agreement, OIR negotiated \$1.8 million in incentives for State agencies, a commitment to hold the system

**Figure 7.5-5
Portal Visitation Patterns**



prices for five (5) years and a 18 month commitment to complete at statewide mobile coverage build out of the radio system from Motorola. In FY01 number of 800 MHz system users grew by over 1000.



7.6 Current Levels and Trends of Financial Performance

Because OIR is run much like a business, financial performance is of vital importance to the organization. Because OIR has been able to consolidate the state's computing and communications services, OIR has been able to maintain or lower its cost of doing business. These savings have been passed on to its customers. Listed below are some of the key results of this effort.

7.6.1 Telecommunications Services Financial Results

- Provide reliable long distance telephone service while striving to lower per minute rates.

Results: Costs have been reduced by 17% in the last few years. Costs this past year were maintained but new contracts signed in May, 2001 will allow for rates to be reduced for Fiscal Year 2001-2002 (See Figure 7.6.1-1) Calling Card rates have been reduced 26% in the past few years. (See Figure 7.6.1-2)

Calling card service averages 15.5 cents per minute, a 26% percent rate decrease since FY98. This price compares favorably to the private sector benchmark.

Figure 7.6.1-1
Cost per Minute of Long Distance Rates

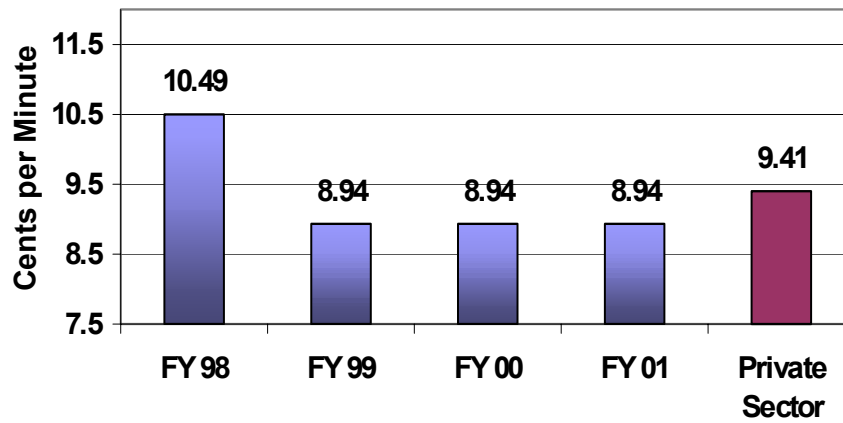
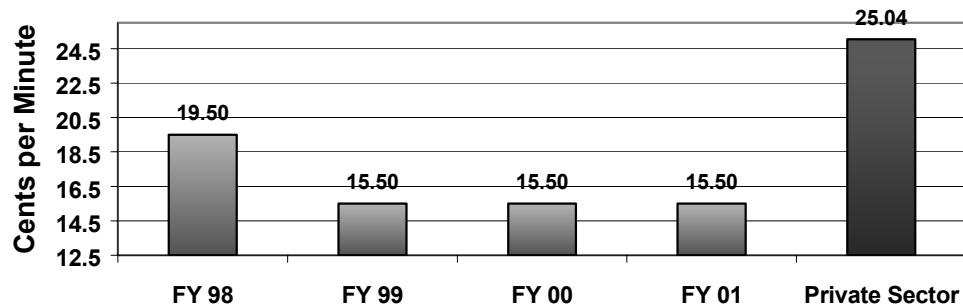


Figure 7.6.1-2
Cost per Minute for State Calling Card



- b. Provide local telephone service with increased features while maintaining or lowering costs to both state owned service and contract service.

Results: OIR Local Service PBX rates were lowered by 22% to an average of \$18.05, well below the goal of \$21.00. This is considerably lower than the private sector.

Figure 7.6.1-3
Average Local Service Telephone Rates
OIR ACCOUNTABILITY REPORT 2001

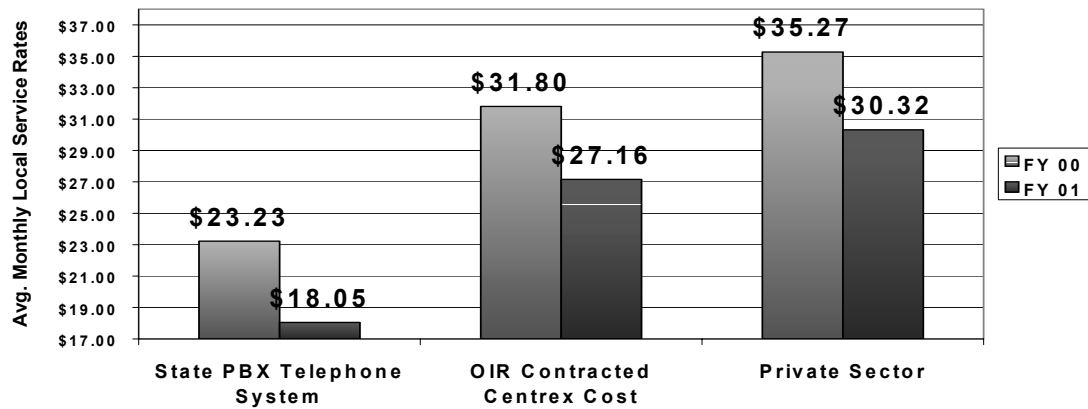


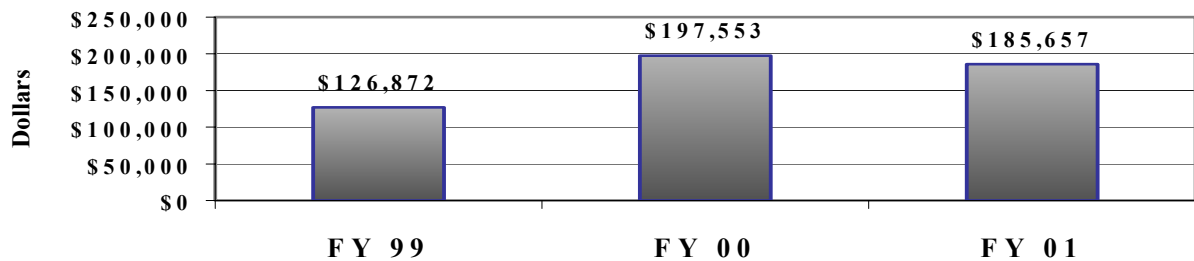
Figure 7.6.1-5
Sources of Telecommunications Revenue (Services Mix)



- c. Provide technical support internally and below the cost of contracting with external vendors.

Results: Savings are still a tremendously high number, over \$185,000 per month. Lack of availability of OIR technicians is the only obstacle towards achieving the goal of \$200,00 per month.

Figure 7.6.1-4
Monthly Cost Savings Using Internal Technicians



- d. Design telecommunications network to be more cost effective.

Results: Significantly reduced the cost of the state's telecommunications system by eliminating much of the state's external telephone network.

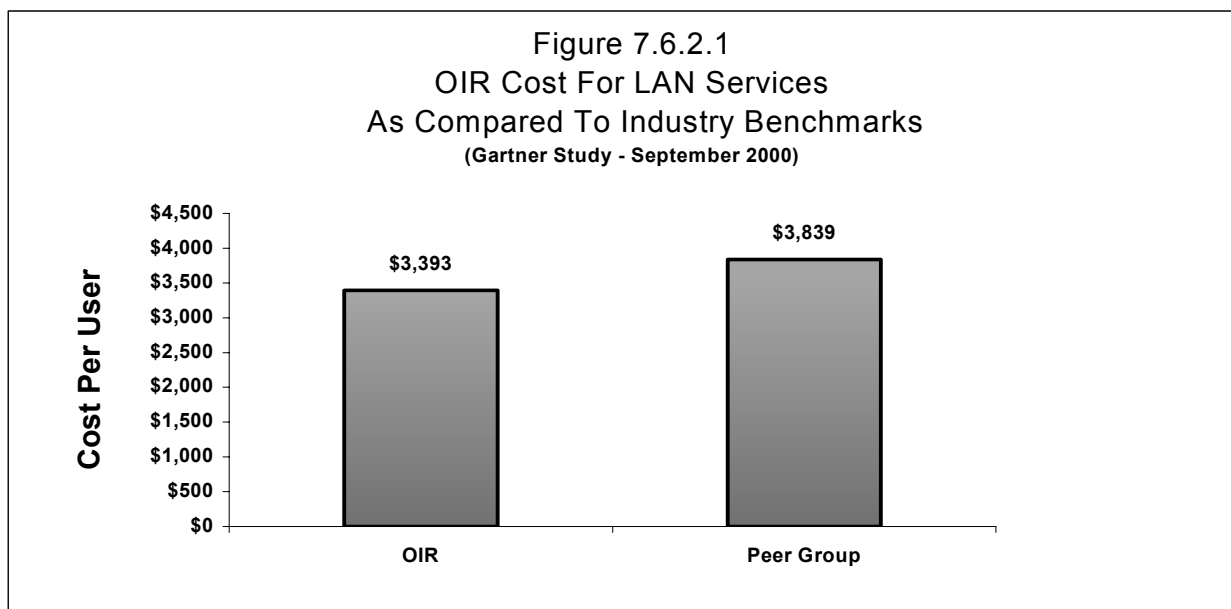
- e. Maintain a sufficient revenue stream necessary to provide funding to advanced telecommunications and networking services for the state. Numerous new technologies are coming to market which will require OIR to invest in research and implementation. Funds must be collected to support these activities while customer charges are reduced.

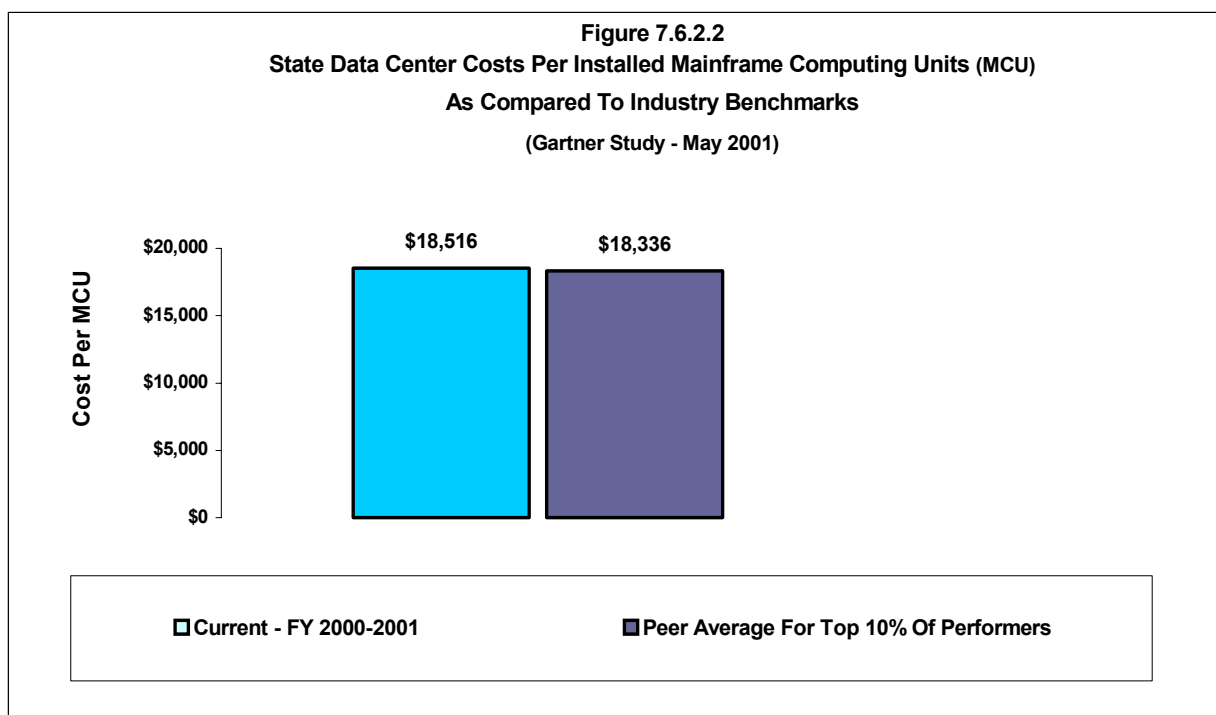
Results: This year, OIR continued its effort to diversify its lines of services in order to distribute fixed costs over a larger set of services. This effort has contributed to OIR's ability to *lower* its local service port rate and will help in lowering long distance rates. (See Figure 7.6.1-5)

7.6.2 Information Systems Operations Financial Results

- a. Provide cost-effective LAN support services to the Office of Information Resources (OIR) and its customers customer agencies.

Results: The Gartner Group™ was contracted with to study OIR's LAN support costs. The study revealed that OIR's cost per user is lower than the peer group average (OIR cost per user \$3,393 – average peer group cost per user \$3,839). (Figure 7.6.2.1).





among those who have achieved the most significant economies of scale advantages (Figure 7.6.2.2).

7.6.3 E-Government Financial Results

- a. The Office of Information Resources unveiled its newest service in November 2000. The E-Commerce Portal was designed to offer citizens a one-stop shop for government services.

Results: With a budget of \$625,963, OIR unveiled a portal that continuously attracts visitors. As a result, South Carolina has streamlined the tax collection process through utilizing online tax payments. Other online services have also been introduced and rising utilization rates testify to citizen's appreciation of e-government. For example, searching the Secretary of State's business filings, database online appeals of property assessment (and search) for Lexington County residents, and online state procurement bids and awards to name a few services currently offered. (See Figures 7.5-4 and 7.5.5)

- b. To provide data center services that are cost effective and comparable or better than data centers in the private sector.

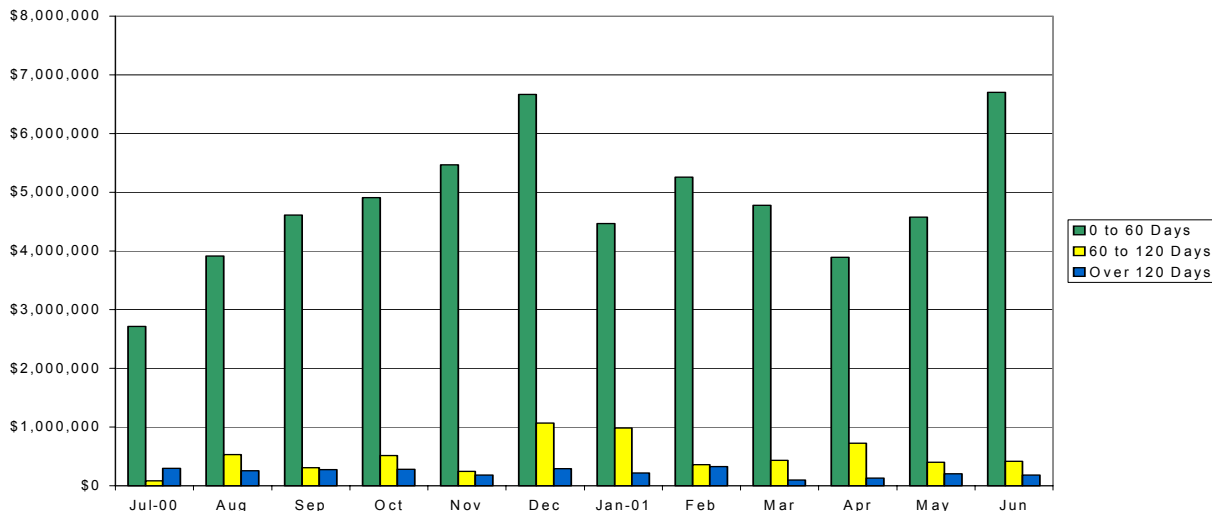
Results: In May 2001, the Gartner Group™ performed an information technology analysis of the State of South Carolina's Data Center mainframe operations. The study revealed that the State Data Center is in the top ten percent of cost efficient performers in Gartner's client database, and that the State of South Carolina ranks

7.6.4 Financial Management Financial Results

- a. Maintain the financial viability and integrity of OIR by ensuring services are billed and revenue collected in a timely manner and that adequate operating reserves are maintained.

Results: With an average monthly billing of \$5 million, OIR maintains an accounts receivable over 120 days of less than 1% of the total monthly billing.

Figure 7.6.4-1
OIR Accounts Receivables 2000 - 2001



- b. Maintain the financial viability and integrity of OIR by ensuring that adequate operating reserves are maintained.

Results: OIR attempts to maintain a cash balance equal to two months operating expenses. This equals approximately \$10 million. However, the cyclical nature of OIR's revenue and expense make this a challenge.

Figure 7.6.4-2
CASH BALANCE Operating and Reserve Accounts Combined
August, 99 through Current Week

